

AGENDA ITEM

TO: Planning and Zoning Commission

THROUGH: Brandon Opiela, Planning Manager

FROM: Samantha Pickett, Planner II

SUBJECT: Conduct a Public Hearing to Consider/Discuss/Act on a Request to Rezone the Subject Property from “PD” – Planned Development District, “AG” – Agricultural District, and “CC” – Corridor Commercial Overlay District to “PD” – Planned Development District and “CC” – Corridor Commercial Overlay District, Generally for Commercial and Single Family Attached and Detached Residential Uses, Located Approximately 600 Feet West of Custer Road and on the South Side of U.S. Highway 380 (University Drive)

APPROVAL PROCESS: The recommendation of the Planning and Zoning Commission will be forwarded to the City Council for final action at the July 21, 2015 meeting.

STAFF RECOMMENDATION: Staff recommends approval of the proposed rezoning request with the following special ordinance provisions:

1. The use and development of Tract 1 (approximately 11.72 acres) shall conform to the regulations of Section 146-112 (“C2” – Local Commercial District) of the Zoning Ordinance and “CC” – Corridor Commercial Overlay District, and as amended.
2. The use and development of Tract 2 (approximately 20.05 acres) shall conform to the regulations of Section 146-108 (“TH” – Townhome Residential District) of the Zoning Ordinance and “CC” – Corridor Commercial Overlay District, and as amended, except as follows:
 - a. No residential structures shall be permitted within 150 feet of the adjacent airport runway as designated on the attached boundary exhibit.
 - b. An 8’ tall solid masonry wall shall be constructed along the western property line of Tract 2 in the location shown on the attached boundary exhibit.
3. The use and development of Tract 3 (approximately 28.05 acres) shall conform to the regulations of Section 146-106 (“SF5” – Single Family Residential District)

of the Zoning Ordinance and “CC” – Corridor Commercial Overlay District, and as amended, except as follows:

- a. All single family detached residential units shall conform to the attached architectural standards.
4. Purchasers of all residential lots on the subject property shall be provided with a disclosure letter by the developer or homeowners’ association.

However, the request is not in conformance with the City of McKinney’s Comprehensive Plan and City Council’s goal of preserving and developing the non-residential tax base.

APPLICATION SUBMITTAL DATE: May 11, 2015 (Original Application)
May 26, 2015 (Revised Submittal)
June 9, 2015 (Revised Submittal)
June 10, 2015 (Revised Submittal)

ITEM SUMMARY: The applicant is requesting to rezone approximately 11.72 acres (Tract 1) for commercial uses, approximately 20.05 acres (Tract 2) for single family attached (townhome) residential uses, and approximately 28.05 acres (Tract 3) for single family detached residential uses, with modifications to the development standards, including the addition of a no-build zone, a screening wall, and detached residential architectural standards, discussed in further detail below. Additionally, the applicant has included a provision that requires all future homeowners of the single family residential lots to be provided with a disclosure letter informing them of the airport’s adjacency; however, Staff has no way of ensuring that this can be accomplished at the time of sale.

In September of 2007, the City Council approved a rezoning request for the subject property, tying down a general layout for approximately 8.95 acres of retail uses, approximately 7.32 acres of self-storage uses and approximately 43.27 acres of office uses (see attached PD Ordinance).

In May of 2015, the City Council denied a request to rezone (14-151Z) the subject property to “PD” – Planned Development District, generally for single family detached residential (approximately 47.01 acres) and commercial (approximately 12.81 acres) uses, with modifications including reduced height of homes and an 8’ tall masonry wall adjacent to the Aero Country Airport runway. The applicant has since revised the request to include single family attached (townhome) residential uses and single family detached residential uses on the rear portion of the property (with commercial uses remaining along U.S. Highway 380), and has designated a 150-foot deep “no build” zone (approximately 2.5 acres) adjacent to the runway.

On June 9, 2015 the Planning and Zoning Commission voted 5-0-0 to table the item to the June 23, 2015 Planning and Zoning Commission meeting per the applicant's request.

ZONING:

Location	Zoning District (Permitted Land Uses)	Existing Land Use
Subject Property	"AG" – Agricultural District (Agricultural Uses), "PD" – Planned Development District Ordinance No. 2007-09-092 (Office, Retail, and Commercial Uses) and "CC" – Corridor Commercial Overlay District	Undeveloped Land
North	City of Prosper	Rodman Stone Yard, Prosper Plaza, and Undeveloped Land
South	"PD" – Planned Development District Ordinance No. 2008-11-106 (Hangar and Townhome Uses), "PD" – Planned Development District Ordinance No. 98-08-44 (Single Family Residential Uses), and "AG" – Agricultural District (Agricultural Uses)	Aero Country East, Virginia Hills Subdivision, Aviator Park, and Undeveloped Land
East	"PD" – Planned Development District Ordinance No. 2004-10-109 and "CC" – Corridor Commercial Overlay District (Commercial Uses)	Wal-Mart and The Shops at Eagle Point
West	City of McKinney ETJ	University Business Plaza

PROPOSED ZONING: The applicant is requesting to rezone approximately 59.82 acres for commercial, single family attached (townhome) residential and single family detached residential uses. Of the existing 16.27 acres currently zoned for retail and self-storage uses, approximately 11.72 acres along U.S. Highway 380 (University Drive) will be maintained for retail uses. The applicant is also requesting that the remainder of the property, approximately 48.10 acres, currently zoned for office, retail, self-storage and agricultural uses, be zoned for townhome (approximately 20.05 acres) and single family detached residential (approximately 28.05 acres) uses.

Since this request was last presented to the City Council, the applicant has included a no-build zone approximately 150 feet in depth directly adjacent to the Aero Country Airport grass runway. Additionally, the applicant has agreed to provide an 8-foot tall pre-cast masonry wall along the western property line of the no-build zone. Lastly, in order to satisfy the PD zoning requirement for a provision ensuring exceptional quality or innovation, the applicant has stated that all single family detached residential homes shall comply with architectural standards, including minimum masonry requirements and architectural details.

This rezoning request has been difficult for Staff to evaluate as there are challenges to developing the property for either non-residential or residential uses. Developing the entirety of the subject property for non-residential uses may be hindered by the property's mid-block location, the lack of access to multiple roadway frontages, and the challenges faced by developing non-residential uses around the existing natural lake/drainage feature bisecting the property. Alternatively, although the adjacent property owners and the applicant have come to an agreement on the layout and request, Staff still has concerns with the proposed density (increased from 3.2 dwelling units per acre for single family detached residential to up to 14 dwelling units per acre for townhome uses) and the safety of residential uses developing in such close proximity to the Aero Country Airport runway.

The revised request increases the overall potential number of units from 150 homes (47.01 acres developing as detached single family) to 334 units (48.10 acres developing as a mix of townhome and detached single family homes, with no structures in the proposed no build zone). Ultimately, Staff feels as though the challenges presented by developing a large portion of the property for non-residential uses may be challenging due to the development factors discussed above, and has no objection to the proposed land use designations.

CONFORMANCE TO THE COMPREHENSIVE PLAN: The Future Land Use Plan (FLUP) designates the subject property for office uses. The FLUP modules diagram designates the subject property as Regional Commercial within a significantly developed area. The Comprehensive Plan lists factors to be considered when a rezoning request is being considered within a significantly developed area:

- **Comprehensive Plan Goals and Objectives:** The proposed rezoning request is generally not in conformance with the goals and objectives of the Comprehensive Plan, particularly "Land Use Compatibility and Mix", specifically through the objective of "land uses patterns that optimize and balance the tax base of the City".

While Staff recognizes that approximately 60 acres of office and commercial uses may be challenging to develop in the near future, the proposed rezoning request does not help to further a strong, balanced economy. Nearly three quarters of the City's ad valorem tax base comes from its residential housing stock. In order to balance this tax base, more non-residential uses are needed.

Rezoning approximately 48 acres of an approximately 60 acre property designated for office and commercial uses to single family detached residential uses will not help to balance the ad valorem tax base nor will it help to increase the amount of revenue that is generated through sales taxes.

- Impact on Infrastructure: The proposed zoning request may have an impact on the existing and planned water, sewer and thoroughfare plans in the area since the land use would change from office to residential uses. Staff is unable at this point in time to determine the exact difference in the impact on infrastructure as the wide range of non-residential uses currently allowed could impact the infrastructure more or less than the impact of the proposed development.
- Impact on Public Facilities/Services: The proposed zoning request should have an impact on public facilities and service, such as schools, fire and police, libraries, parks and sanitation services, as the land use will change from commercial and office to residential uses requiring additional public services.
- Compatibility with Existing and Potential Adjacent Land Uses: The properties located adjacent to the subject property are zoned and/or used for commercial, industrial and residential uses, and as such the request should be compatible with the existing surrounding development.
- Fiscal Analysis: The fiscal analysis shows a negative cost benefit of \$398,313 using the full cost method.

The attached "Land Use and Tax Base Summary" shows that Module 6 is currently comprised of approximately 44.4% residential uses and 55.6% non-residential uses (including institutional uses). The proposed rezoning request will have an impact on the anticipated land uses in this module, increasing the residential component and decreasing the non-residential component. Estimated tax revenues in Module 6 are comprised of approximately 20.5% from residential uses and 79.5% from non-residential uses. Estimated tax revenues by type in Module 6 are comprised of approximately 36.3% ad valorem taxes and 63.7% sales and use taxes.

The attached "Land Use and Tax Base Summary" shows that Module 24 is currently comprised of approximately 1.4% residential uses, 31.2% non-residential uses (including institutional uses), and 67.4% in the extraterritorial jurisdiction (ETJ). The proposed rezoning request will have an impact on the anticipated land uses in this module, increasing the residential component and decreasing the non-residential component. Estimated tax revenues in Module 24 are comprised of approximately 91% from residential uses and 9% from non-residential uses. Module 24 is located almost entirely within the ETJ; as such, Ad Valorem Tax Revenue and Sales and Use Tax Revenue are not applicable at this time.

- Concentration of a Use: The proposed rezoning request should not result in an over concentration of commercial or residential land uses in the area.

OPPOSITION TO OR SUPPORT OF REQUEST: Staff has received three letters in support of and one letter in opposition to this request.

ATTACHMENTS:

- PZ Minutes 06.09.15
- Location Map and Aerial Exhibit
- Letter of Intent
- Letters of Support
- Letter of Opposition
- Comprehensive Plan Maps
- Fiscal Analysis
- Land Use and Tax Base Summary
- Existing "PD" – Planned Development District Ordinance No. 2007-09-092
- Proposed Zoning Exhibit – Boundary
- Proposed Zoning Exhibit – Architectural Standards
- PowerPoint Presentation